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**LOUISIANA PROFESSIONAL ENGINEERING  
AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/7/09

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

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## **BASIC FINANCIAL STATEMENTS**

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**MARY SUE STAGES, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

.....  
3121 Van Buren Street, Suite A  
P. O. Box 30  
Baker, Louisiana 70704-0030  
Phone (225) 775-4982 \* Fax (225) 775-4912  
[mstages@butlercpa.brcoxmail.com](mailto:mstages@butlercpa.brcoxmail.com)

*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

Board Members of the  
Louisiana Professional Engineering and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, Louisiana 70809

We have audited the accompanying business-type activities of the Louisiana Professional Engineering and Land Surveying Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Louisiana Professional Engineering and Land Surveying Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Professional Engineering and Land Surveying Board as of June 30, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Louisiana Professional Engineering and Land Surveying Board's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2009, on our consideration of the Louisiana Professional Engineering and Land Surveying Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
August 11, 2009

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 1 OF 2)**

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**LOUISIANA PROFESSIONAL ENGINEERING  
AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

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The purpose of this section is to offer a narrative overview and analysis of the Louisiana Professional Engineering and Land Surveying Board's (hereafter referred to as the Board) financial performance during the year ended June 30, 2009. This document focuses on the current year activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

**Highlights of the Board as a Whole**

- ◆ Assets exceeded liabilities at June 30, 2009 by \$1,583,411
- ◆ Revenues exceeded expenses by \$109,374 for the year ended June 30, 2009

**Overview of the Financial Statement Presentation**

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplemental schedules and information contained in this report provided for additional information.

**Basic Financial Statements.** The basic financial statements present information for the Board as a whole. Statements in this section include the following:

*Statement of Net Assets.* This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

*Statement of Revenues, Expenses and Changes in Fund Net Assets.* This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

*Statement of Cash Flows.* The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements can be found on pages 9-12 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**LOUISIANA PROFESSIONAL ENGINEERING  
AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

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The index of the notes is found on page 14 with the actual notes beginning immediately afterwards.

**Required Supplemental Information.** As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. Included as other required supplemental information is the Louisiana Comprehensive Annual Financial Report completed with information relative to the Board.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

**Financial Analysis of the Board**

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows.

**SUMMARY OF NET ASSETS**

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Current assets	\$ 647,197.09	\$ 631,741.26
Non-current assets	<u>1,294,419.44</u>	<u>1,027,434.72</u>
Total Assets	1,941,616.53	1,659,175.98
<b>Liabilities</b>		
Current liabilities	38,564.64	17,587.09
Non-current liabilities	<u>319,640.45</u>	<u>167,551.27</u>
Total Liabilities	358,205.09	185,138.36
<b>Net Assets</b>		
Unrestricted	<u>1,583,411.44</u>	<u>1,474,037.62</u>
Total Net Assets	<u>1,583,411.44</u>	<u>1,474,037.62</u>



**LOUISIANA PROFESSIONAL ENGINEERING  
AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

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Net assets increased by \$109,374 or 8% from June 30, 2008 to June 30, 2009. The increase is primarily a result of increased revenues and sound management practices.

A summary of changes in net assets is as follows:

**SUMMARY OF CHANGES IN NET ASSETS**

	<u>2009</u>	<u>2008</u>
<b>Operating Revenues</b>	\$ 1,322,003.78	\$ 1,225,001.00
<b>Operating Expenses</b>	<u>(1,314,146.86)</u>	<u>(1,288,339.00)</u>
Operating Income (Loss)	7,856.92	(63,338.00)
<b>Non-operating Revenues (Expenses)</b>	<u>101,516.90</u>	<u>111,047.00</u>
Change in Net Assets	<u>109,373.82</u>	<u>47,709.00</u>

Revenues increased slightly by \$97,003 or 7%. Expenses increased by \$25,807 or 2% of the prior year's expenses. This resulted in an operating income as opposed to a loss in the prior year. Interest earned on certificates of deposit was rolled into the renewal but the rates were lower than the prior year resulting in lower interest earnings of \$11,578.

Cash flow activity of the Board for the past two years is as follows:

**STATEMENT OF CASH FLOWS**

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 186,330.69	\$ 66,899.00
Non-capital financing activities	62,136.22	60,088.00
Investing activities	<u>(244,254.32)</u>	<u>(720,079.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,212.59	(593,092.00)
Cash and cash equivalents, beginning of year	<u>618,049.52</u>	<u>1,211,141.52</u>
Cash and cash equivalents, end of year	<u>622,262.11</u>	<u>618,049.52</u>

**LOUISIANA PROFESSIONAL ENGINEERING  
AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

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**Budgetary Highlights**

The original and final budgets are presented in the accompanying required supplemental information. Operating revenues were greater than anticipated by \$14,304 or 1%. Expenses were \$18,200 or 2% more than anticipated. Overall, the change in net assets was a positive difference of \$18,971.

**Capital Asset and Debt Administration**

*Capital Assets:* The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2009, was zero as all assets have been fully depreciated. All assets are properly recorded with the State of Louisiana and a detailed list is maintained.

*Debt Administration:* Long-term debt of the Board includes compensated absences at amounts of \$35,948 and \$31,289 at June 30, 2009 and 2008, respectively. Amounts of \$283,692 at June 30, 2009 and \$136,262 at June 30, 2008 are also recorded for retiree benefits described in detail in the notes to financial statements.

**Request for Information**

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Ms. Donna Sentrell, Executive Secretary, at 9643 Brookline Avenue, Suite 121, Baton Rouge, Louisiana 70809, 225-925-6291.

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## **BASIC FINANCIAL STATEMENTS**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	<u>Business-type Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 622,262.11
Accrued interest receivable	17,620.28
Prepaid expenses	<u>7,314.70</u>
Total Current Assets	647,197.09
Non-Current Assets	
Investments	<u>1,294,419.44</u>
Total Assets	1,941,616.53
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	14,419.58
Payroll and related payables	2,575.45
Accrued salaries payable	16,999.17
Due to other governmental agencies	<u>4,570.44</u>
Total Current Liabilities	38,564.64
Non-Current Liabilities	
Compensated absences payable	35,948.31
Other post-employment benefits plan payable	<u>283,692.14</u>
Total Non-Current Liabilities	319,640.45
Total Liabilities	<u>358,205.09</u>
<b>NET ASSETS</b>	
Unrestricted	<u>1,583,411.44</u>
Total Net Assets	<u><u>1,583,411.44</u></u>

See Accompanying Notes and Auditors' Report

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET ASSETS  
YEAR ENDED JUNE 30, 2009**

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	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Licenses and other fees	\$ 1,322,003.78
<u>OPERATING EXPENSES</u>	
Salaries and related benefits	722,334.67
Meetings, conferences and travel	106,037.88
Professional services	279,547.84
General and administrative	206,226.47
Total Operating Expenses	<u>1,314,146.86</u>
Operating Income	7,856.92
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	39,380.68
Other revenues	62,136.22
Total Non-Operating Revenues (Expenses)	<u>101,516.90</u>
Change in Net Assets	109,373.82
Total Net Assets, beginning	<u>1,474,037.62</u>
Total Net Assets, ending	<u><u>1,583,411.44</u></u>

See Accompanying Notes and Auditors' Report

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**YEAR END JUNE 30, 2009**

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	<u>Business-type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,322,003.78
Cash paid to suppliers for goods/services	(565,255.15)
Cash paid to employees for services	(570,417.94)
Net Cash Provided by Operating Activities	<u>186,330.69</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash received from miscellaneous receipts	<u>62,136.22</u>
Net Cash Provided by Non-Capital Financing Activities	<u>62,136.22</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of certificates of deposit	(1,283,932.60)
Proceeds from certificates of deposit redeemed	1,016,947.88
Interest earned on investments	22,730.40
Net Cash Used for Investing Activities	<u>(244,254.32)</u>
Net Increase in Cash and Cash Equivalents	4,212.59
Cash and Cash Equivalents, beginning of year	<u>618,049.52</u>
Cash and Cash Equivalents, end of year	<u><u>622,262.11</u></u>

Continued

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**STATEMENT OF CASH FLOWS (Continued)**  
**YEAR END JUNE 30, 2009**

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	<u>Business-Type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 7,856.92
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) decrease in assets:	
Prepaid expenses	6,057.18
Increase (decrease) in liabilities:	
Accounts payable	12,214.86
Payroll and related payables	460.50
Accrued salaries payable	3,081.61
Due to other governmental agencies	4,570.44
Compensated absences payable	4,659.04
Other post-employment benefits plan payable	<u>147,430.14</u>
Net Cash Provided by Operating Activities	<u><u>186,330.69</u></u>

See Accompanying Notes and Auditors' Report

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## **NOTES TO FINANCIAL STATEMENTS**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
INDEX TO NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**INTRODUCTION**

The Louisiana Professional Engineering and Land Surveying Board is a component unit of the State of Louisiana. It was created within the Department of Transportation and Development as provided by Louisiana Revised Statute 37:681-703 and is domiciled in East Baton Rouge Parish. The Board serves as a statewide authority to examine, certify, register and discipline engineers and land surveyors in the State of Louisiana. Operations are funded through self-generated revenues.

The Board is composed of 11 members that are appointed by the Governor of the State of Louisiana and serve six-year terms. Nine of the members must be licensed professional engineers and two must be licensed professional land surveyors actively engaged in the field of surveying. Of the engineers, at least two shall be active in private practice; at least two shall be in government employment; at least two shall be employed in the field of industry; at least two shall be employed in the field of education; and one shall be employed in the field of construction. Board members, as authorized by Louisiana Administrative Code 46:317(C), may receive a per diem of not more than \$100 per meeting or day spent on Board business in addition to actual expense reimbursement to attend meetings or conduct board-approved business.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting practice of the Louisiana Professional Engineering and Land Surveying Board conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity:** Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana Professional Engineering and Land Surveying Board.

**Fund Accounting:** The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
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A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

*Proprietary Funds* – account for activities that are similar to activities found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds of the Board include the following fund types:

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Basis of Accounting/Measurement Focus:** In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The basic financial statements of the Board are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

**Application of FASB Statements and Interpretations:** Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

**Operating/Non-Operating Revenues:** Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Board's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
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**JUNE 30, 2009**

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**Budgets and Budgetary Accounting:** Subject to the Louisiana Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331-1342, the Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended net assets to fund expenditures of the succeeding year.

**Cash and Cash Equivalents:** Cash and cash equivalents include amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

**Investments:** Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

**Inventory:** Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Capital Assets:** The Board's assets are recorded at historical cost if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair market value. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

**Compensated Absences:** Employees of the Board had accumulated and vested \$35,948.31 of employee leave benefits at June 30, 2009, that was computed in accordance with GASB Codification Section C60.150.

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**Net Assets:** In the statement of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

*Invested in Capital Assets, Net of Related Debt*

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

*Restricted Net Assets*

Net assets reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

*Unrestricted Net Assets*

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents at June 30, 2009:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	<u>\$ 622,262.11</u>	<u>\$ 672,821.35</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with insurance through FDIC and collateral pledged in the name of the Board by its agent.

**NOTE 3 – INVESTMENTS**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. All investments of

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk. At June 30, 2009, the Board had five certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Regions Bank	7/10/09	3.50%	\$ 263,518.95
Chase Bank	10/09/09	3.97%	258,325.60
Synergy	10/09/09	3.00%	260,810.22
Hancock Bank	6/02/10	2.00%	261,764.67
Fidelity Bank	6/18/10	1.77%	<u>250,000.00</u>
Total			<u>1,294,419.44</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture	\$ 7,659.00	\$ .00	\$ .00	\$ 7,659.00
Less: accumulated depreciation	<u>7,659.00</u>	<u>.00</u>	<u>.00</u>	<u>7,659.00</u>
Net Furniture	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>

**NOTE 5 – LEAVE**

*Annual and Sick Leave.* The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned.

Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2009, being \$14,340.27.

*Compensatory Leave.* Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. Compensatory leave time accrued at June 30, 2009, and reported in the accompanying financial statements was \$21,608.04.

**NOTE 6 – RETIREMENT SYSTEM**

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service or (c) age 60 with 10 years of service. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board is required to contribute at an actuarially determined rate as required by Louisiana R.S. 11:102. That rate for the year ended June 30, 2009 was 18.5%. Contributions to the System for the years ended June 30, 2009, 2008 and 2007, were \$68,793, \$66,599 and \$62,986, respectively.

**NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

*Plan Description.* The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap), writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

*Funding Policy.* LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (0-9 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or her and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2009, this amount ranges from \$315 to \$341 per month for single members with Medicare or \$969 to \$1,049 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,164 to \$1,261 per month for those with Medicare or \$1,710 to \$1,853 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

*OPEB Cost/Obligation.* The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used.



**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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The total ARC for the year beginning July 1, 2008, is as follows:

Normal cost	\$ 102,700
30 year UAL amortization amount	<u>63,800</u>
Annual Required Contribution (ARC)	<u>166,500</u>

The Board's OPEB obligation for the year ended June 30, 2009, is as follows:

Annual required contribution/OPEB Cost	\$ 166,500
Contributions made	<u>(19,070)</u>
Change in Net OPEB Obligation	147,430
Net OPEB obligation, beginning	<u>136,262</u>
Net OPEB obligation, ending	<u>283,692</u>

Utilizing the pay-as-you-go method, the Board contributed 11% of the annual post-employment benefits cost during the current year.

*Funding Status and Funding Progress.* As of June 30, 2009, the Board had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 283,692
Covered payroll (active employees)	307,700

UAAL as a percentage of covered payroll	92%
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*Actuarial Methods/Assumptions.* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.5% and 10.75% for pre-Medicare and Medicare eligible scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on an open basis. The amortization period is thirty years, the maximum allowed by GASB 45.

**NOTE 8 – LEASES**

*Operating Leases.* The Board executed a lease for office space for a term of five years ending November 30, 2009, payable at \$5,666 per month or \$67,992 annually. A new lease is currently being negotiated with an initial term of five years and an additional option term of five years. For the year ended June 30, 2009, lease payments of \$67,992 were made. Obligations remaining on the current lease total \$28,330 to be paid in the subsequent year.

The Board also leases storage space on a month-to-month basis. The total paid during the year was \$1,632.

*Capital Leases.* The Board has no capital leases.

**NOTE 9 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 31,289.27	\$ 27,521.08	\$ 22,862.04	\$ 35,948.31	\$ 0.00
Other post- employment benefits plan	136,262.14	166,500.00	19,070.00	283,692.14	.00
Total	<u>167,551.41</u>	<u>194,021.08</u>	<u>41,932.04</u>	<u>319,640.45</u>	<u>.00</u>

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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**NOTE 10– RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year.

**NOTE 11 – LITIGATION**

There is no litigation that would require disclosure in this financial report.

**NOTE 12 – SUBSEQUENT EVENTS**

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(PART 2 OF 2)**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**  
**STATE OF LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Licenses and other fees	\$ 1,242,260	\$ 1,307,700	\$ 1,322,004	\$ 14,304
<u>OPERATING EXPENSES</u>				
Salaries and related benefits	518,150	664,146	722,335	(58,189)
Meetings, conferences and travel	136,000	136,610	106,038	30,572
Professional services	241,100	255,300	279,548	(24,248)
General and administrative	288,700	239,891	206,226	33,665
Total Operating Expenses	1,183,950	1,295,947	1,314,147	(18,200)
Operating Income	58,310	11,753	7,857	(3,896)
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	67,000	61,200	39,381	(21,819)
Other revenues	62,525	17,450	62,136	44,686
Total Non-Operating Revenues (Expenses)	129,525	78,650	101,517	22,867
Change in Net Assets	187,835	90,403	109,374	18,971
Net Assets, beginning	1,474,038	1,474,038	1,474,038	-
Net Assets, ending	1,661,873	1,564,441	1,583,411	18,971

See Auditors' Report

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## **SUPPLEMENTAL SCHEDULES AND INFORMATION**

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2009**

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In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2009.

<u>Name</u>	<u>Amount</u>
Allen, Timothy J.	\$ 2,575.00
Bowie, Jr., James E.	2,805.00
Danzy, Roger D.	3,279.25
Gammon, M. Ernest	765.00
Garber, James D.	1,215.00
Guillaume, Rhaoul A.	1,972.50
Jusselin, Mark A.	1,637.50
Mattei, Norma J.	700.00
Mustapha, Ali M.	1,600.00
Savoie, Richard L.	1,603.75
Stelly, C. L. Jack	2,175.00
Williams, Miles B.	<u>2,595.00</u>
Total	<u>22,923.00</u>

See Auditors' Report

**MARY SUE STAGES, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

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3121 Van Buren Street, Suite A  
P. O. Box 30  
Baker, Louisiana 70704-0030  
Phone (225) 775-4982 \* Fax (225) 775-4912  
[mstages@butlercpa.brcoxmail.com](mailto:mstages@butlercpa.brcoxmail.com)

*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**REPORT ON COMPLIANCE AND OTHER MATTERS AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board Members of the  
Louisiana Professional Engineering and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, Louisiana 70809

We have audited the financial statements of the business-type activities and the remaining fund information of the Louisiana Professional Engineering and Land Surveying Board, a component unit of the State of Louisiana, which collectively comprise the basic financial statements as listed in the table of contents, as of and for the year ended June 30, 2009, and have issued our report thereon dated August 11, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Professional Engineering and Land Surveying Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Professional Engineering and Land Surveying Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Professional Engineering and Land Surveying Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Professional Engineering and Land Surveying Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the governmental agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

Mary Sue Stages, CPA  
A Professional Accounting Corporation  
August 11, 2009

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009**

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We have audited the financial statements of the Louisiana Professional Engineering and Land Surveying Board as of and for the year ended June 30, 2009, and have issued our report thereon dated August 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009, resulted in an unqualified opinion.

**Section I      Summary of Auditor's Reports**

1.    Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Material Weakness	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No
	Control Deficiency(ies)	<input type="checkbox"/> No

2.    Federal Awards

N/A

**Section II      Financial Statement Findings**

None

**Section III    Federal Award Findings and Questioned Costs**

N/A

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2009**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

2008-1      Additions to Capital Assets

*Condition:* Furniture purchased in March of 2008, was not added to the Louisiana Property Assistance Agency system until July of 2008. La. Administrative Code Title 34 Part VII Section 307(A) requires that acquisitions be forwarded to LPAA within 60 days after receipt.

*Recommendation:* That all acquisitions be added within the time allotted by LPAA

*Disposition:* Resolved

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2009**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Management Letter**

N/A

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## OTHER REQUIRED SUPPLEMENTAL INFORMATION

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**LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
JUNE 30, 2009**

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**LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT**

As a component unit of the State of Louisiana, the financial statements of the Louisiana Professional Engineering and Land Surveying Board are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration for reporting purposes. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

LOUISIANA PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2009

C O N T E N T S

AFFIDAVIT

Statements

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MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (Additional information in Appendix B)	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (See Appendix C)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Other Postemployment Benefits (Additional information in Appendix D)
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendix E)
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (See Appendix F)
CC.	Impairment of Capital Assets (See Appendix G)
DD.	Employee Termination Benefits
EE.	<b>Pollution Remediation Obligations</b>

Schedules

1	Schedule of Per Diem Paid to Board Members
15	Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2009

Louisiana Professional Engineering and Land Surveying Board  
9643 Brookline Avenue, Suite 121  
Baton Rouge, Louisiana 70909

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

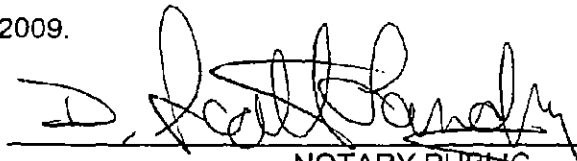
Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Donna ~~Sentell~~<sup>Sentell</sup>, Executive Secretary of \_\_\_\_\_ the Louisiana Professional Engineering and Land Surveying Board (the Board) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of \_\_\_\_\_ the Board at June 30, 2009, and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 17<sup>th</sup> day of August, 2009.

  
\_\_\_\_\_  
Signature of Agency Official

  
\_\_\_\_\_  
NOTARY PUBLIC

Prepared by: Donna ~~Sentell~~<sup>Sentell</sup>  
Title: Executive Secretary  
Telephone No.: 225-925-6291  
Date: August 11, 2009  
Email Address: donna@lapels.com

D. Scott Landry  
Notary Public  
State of Louisiana  
Bar Roll Number 18996  
Commission Expires at Death



**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2009**

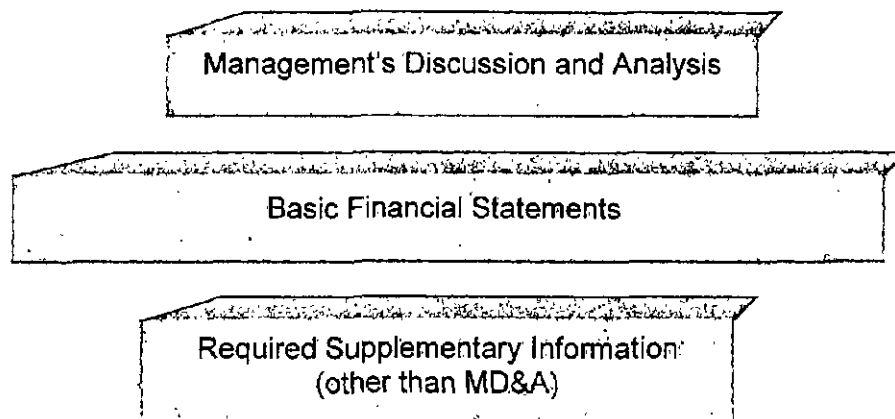
Management's Discussion and Analysis of the Louisiana Professional Engineering and Land Surveying Board (hereinafter referred to as the Board) financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in this report.

**FINANCIAL HIGHLIGHTS**

- ★ The Board's assets exceeded its liabilities at the close of fiscal year 2009 by \$1,583,411 that is an increase of 8% over the prior year's net assets.
- ★ The Board's revenue increased \$97,003 (or 7%) and the net results from activities increased by \$71,195 (or >100%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2009**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided by (used for) operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets as of June 30, 2009 (in thousands)		
	Total	
	2009	2008
Current and other assets	\$ 1,942	\$ 1,659
Capital assets		
Total assets	1,942	1,659
Other liabilities	39	18
Long-term debt outstanding	320	168
Total liabilities	359	186
Net assets:		
Invested in capital assets, net of debt		
Restricted		
Unrestricted	1,583	1,474
Total net assets	\$ 1,583	\$ 1,474

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Board increased by \$109,374 or 8%, from June 30, 2008 to June 30, 2009. The primary reason is due to the increase in revenues that was greater than the increase in expenses.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2009**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
for the years ended June 30, 2009  
(in thousands)**

	Total	
	2009	2008
Operating revenues	\$ 1322	\$ 1225
Operating expenses	-1314	-1288
Operating income(loss)	8	(63)
Non-operating revenues	101	111
Non-operating expenses *		
Income(loss) before transfers	109	48
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ 109	\$ 48

\* Enter expenses as a negative amount

The Board's total revenues increased by \$97,003 or (7%). The total cost of all programs and services increased by \$25,807 or 2%.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year ended June 30, 2009, the Board did not have any investment in general fixed assets as they have been fully depreciated.

### **Debt**

The Board had \$35,948 in accrued vacation and compensatory time as well as \$283,692 in other post-employment benefits payable at June 30, 2009.

## **VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$14 over budget and expenditures were more than budget by \$18,200 or 2%.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2009**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Changes in legislation
- Economic impact on engineering and land surveying businesses

The Board expects that next year's results will improve based on the following:

- Continued monitoring of expenses in relation to revenues

**CONTACTING THE BOARD'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Donna Sentell at 225-925-6291.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2009**

**STATEMENT A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 622,262
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	17,620
Inventories	
Prepayments	7,315
Notes receivable	
Other current assets	
Total current assets	647,197

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	1,294,419
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction-in-progress	
Other noncurrent assets	
Total noncurrent assets	1,294,419
Total assets	\$ 1,941,617

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 33,994
Other current liabilities	4,570
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	38,565

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	35,948
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
OPEB payable	283,692
Other long-term liabilities	
Total noncurrent liabilities	319,640
Total liabilities	358,205

**NET ASSETS**

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	1,583,411
Total net assets	1,583,411
Total liabilities and net assets	\$ 1,941,617

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**Statement B**

**OPERATING REVENUES**

Sales of commodities and services	\$ 1,322,004
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	
Total operating revenues	1,322,004

**OPERATING EXPENSES**

Cost of sales and services	
Administrative	1,314,147
Depreciation	
Amortization	
Total operating expenses	1,314,147

Operating income(loss)	7,857
------------------------	-------

**NON-OPERATING REVENUES(EXPENSES)**

State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	39,381
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	62,136
Other expense	
Total non-operating revenues(expenses)	101,517

Income(loss) before contributions, extraordinary items, & transfers	109,374
---	---------

**Capital contributions**

Extraordinary item - Loss on impairment of capital assets

Transfers in

Transfers out

Change in net assets	109,374
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Total net assets – beginning	1,474,038
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Total net assets – ending	\$ 1,583,411
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The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Entity	\$ 1,314,147	\$ 1,322,004	\$	\$	\$ 7,857
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					39,381
Miscellaneous					62,136
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					101,517
Change in net assets					109,374
Net assets - beginning as restated					1,474,038
Net assets - ending					\$ 1,583,411

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Statement D  
(continued)**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 1,322,004	
Cash payments to suppliers for goods and services	(565,255)	
Cash payments to employees for services	(570,418)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>186,331</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	62,136	
Net cash provided(used) by non-capital financing activities		<u>62,136</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>-</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(1,283,933)	
Proceeds from sale of investment securities	1,016,948	
Interest and dividends earned on investment securities	22,730	
Net cash provided(used) by investing activities		<u>(244,254)</u>
Net increase(decrease) in cash and cash equivalents		<u>4,213</u>
Cash and cash equivalents at beginning of year		<u>618,049.52</u>
Cash and cash equivalents at end of year		<u>\$ 622,262</u>



**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ 7,857
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	6,057	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	15,757	
Increase(decrease) in compensated absences payable	4,659	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	147,430	
Increase(decrease) in other liabilities	4,570	
Net cash provided(used) by operating activities		\$ 186,331

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2009**

**INTRODUCTION**

The Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:681-703. The following is a brief description of the operations of the Board and includes the parishes in which the Board is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Board are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

	APPROPRIATIONS
Original approved budget	\$ 1,183,950
Amendments:	111,997
Final approved budget	\$ 1,295,947

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Balance per agency books (Balance Sheet)	\$ 622,112	\$	\$	\$ 622,112.11
Deposits in bank accounts per bank	\$ 672,821	\$	\$	\$ 672,821.35
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Regions Bank	Operations	\$ 672,821
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 672,821

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ 150.00

2. INVESTMENTS

The Board does maintain investment accounts as authorized by La. Revised Statute 33:2955. All investments are certificates of deposit with maturities greater than 90 days.

3. DERIVATIVES

N/A

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

N/A

5. POLICIES

The Board does not have an investment policy but follows requirements stipulated by state law.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to OSRAP (+ or -)	Restatements (+ or -)				
<b>Capital assets not being depreciated</b>							
Land	\$	\$	\$	\$ --	\$	\$	\$ --
Construction in progress				--			--
<b>Total capital assets not being depreciated</b>				--			--
<b>Other capital assets</b>							
Furniture	7,659			7,659			7,659
Less accumulated depreciation	(7,659)			(7,659)			(7,659)
<b>Total furniture</b>	--	--	--	--	--	--	--
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Capital assets, net</b>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**E. INVENTORIES**

N/A

**F. RESTRICTED ASSETS**

N/A

**STATE OF LOUISIANA  
PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2009**

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Board has the following policy on annual and sick leave:

The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service and are credited at the end of each month of regular service. Accumulated leave is carried forward to succeeding years without limitation. Requests for leave must be made to and approved by the Director. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statement of net assets, the amount unpaid at June 30, 2009, being \$14,340.

**2. COMPENSATORY LEAVE**

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. Compensatory leave time accrued at June 30, 2009, and reported in the accompanying financial statements was \$21,608.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. **(Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)**

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically,

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasers.state.la.us/PDFs/Publications\\_and\\_Reports/Fiscal\\_Documents/Comprehensive\\_Financial\\_Reports/Comprehensive%20Financial%20Reports\\_08.pdf](http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll. The Board contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$68,793, \$66,599 and \$62,986, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

*Plan Description.* The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap), writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

*Funding Policy.* LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (0-9 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or her and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2009, this amount ranges from \$315 to \$341 per month for single members with Medicare or \$969 to \$1,049 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,164 to \$1,261 per month for those with Medicare or \$1,710 to \$1,853 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

*OPEB Cost/Obligation.* The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used.

The total ARC for the year beginning July 1, 2008, is as follows:

Normal cost	\$ 102,700
30 year UAL amortization amount	<u>63,800</u>
Annual Required Contribution (ARC)	<u>166,500</u>

The Board's OPEB obligation for the year ended June 30, 2009, is as follows:

Annual required contribution/OPEB Cost	\$ 166,500
Contributions made	<u>(19,070)</u>
Change in Net OPEB Obligation	147,430
Net OPEB obligation, beginning	<u>136,262</u>
Net OPEB obligation, ending	<u>283,692</u>

Utilizing the pay-as-you-go method, the Board contributed 11% of the annual post-employment benefits cost during the current year.

*Funding Status and Funding Progress.* As of June 30, 2009, the Board had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 283,692
Covered payroll (active employees)	307,700

UAAL as a percentage of covered payroll 92%

*Actuarial Methods/Assumptions.* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.5% and 10.75% for pre-Medicare and Medicare eligible scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on an open basis. The amortization period is thirty years, the maximum allowed by GASB 45.



**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year 2008-09 amounted to \$67,992. A new lease is currently being negotiated. A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015- 2019	FY 2020- 2024
Office Space	\$ 28,330	\$	\$	\$	\$	\$	\$
Equipment							
Land							
Other							
Total	\$ 28,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2. CAPITAL LEASES**

The Board has no capital leases.

**3. LESSOR DIRECT FINANCING LEASES**

N/A

**4. LESSOR - OPERATING LEASE**

N/A

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:

	Year ended June 30, 2009			Balance June 30, 2009	Amounts due within one year
	Balance June 30, 2008	Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$	\$	\$	--	\$
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
<b>Other liabilities:</b>					
Contracts payable				--	
Compensated absences payable	31,289	27,521	22,862	35,948	
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable	136,262	166,500	19,070	283,692	
Other long-term liabilities				--	
Total other liabilities	167,551	194,021	41,932	319,640	--
Total long-term liabilities	\$ 167,551	\$ 194,021	\$ 41,932	\$ 319,640	\$ --

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**L. CONTINGENT LIABILITIES**

N/A

**M. RELATED PARTY TRANSACTIONS**

N/A

**N. ACCOUNTING CHANGES**

N/A

**O. IN-KIND CONTRIBUTIONS**

N/A

**P. DEFEASED ISSUES**

N/A

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

N/A

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

N/A

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

N/A

**T. SHORT-TERM DEBT**

N/A

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

N/A

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 14,420	\$ 19,575	\$ -	\$ 4,570	\$ 38,565
Total payables	\$ 14,420	\$ 19,575	\$ -	\$ 4,570	\$ 38,565

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2009**

**W. SUBSEQUENT EVENTS**

N/A

**X. SEGMENT INFORMATION**

N/A

**Y. DUE TO/DUE FROM AND TRANSFERS**

N/A

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

N/A

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

N/A

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)**

N/A

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES**

N/A

**DD. EMPLOYEE TERMINATION BENEFITS**

N/A

**EE. POLLUTION REMEDIATION OBLIGATIONS (BTA)**

N/A

Name	Amount
Allen, Timothy J.	\$ 2,575
Bowie, Jr., James E.	2,805
Danzy, Roger D.	3,279
Gammon, M. Ernest	765
Garber, James D.	1,215
Guillaume, Rhaoul A.	1,973
Jusselin, Mark A.	1,638
Mattei, Norma J.	700
Mustapha, Ali M.	1,600
Savoie, Richard L.	1,604
Stelly, C. L. Jack	2,175
Williams, Miles B.	2,595
Total	\$ 22,923

## SCHEDULE 1

**STATE OF LOUISIANA**  
**PROFESSIONAL ENGINEERING AND LAND SURVEYING BOARD**  
**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1,322</u>	\$ <u>1,225</u>	\$ <u>97</u>	<u>8%</u>
Expenses	\$ <u>1,314</u>	\$ <u>1,288</u>	\$ <u>26</u>	<u>2%</u>
2) Capital assets	\$ _____	\$ _____	\$ _____	_____
Long-term debt	\$ <u>320</u>	\$ <u>168</u>	\$ <u>152</u>	<u>91%</u>
Net Assets	\$ <u>1,583</u>	\$ <u>1,474</u>	\$ <u>109</u>	<u>8%</u>

Explanation for change: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_